

PSJ3

Exhibit 96



MEMORANDUM

Date: February 25, 2003
To: Kati Chupa, Molly McDonald
From: Amy Levinson
Re: Impact of pulling journal ads on Duragesic media schedule
CC: A. Giaquinto, H. Kowal, L. Paige, M. Porter, M. Slome

As requested, outlined below details the impact on the current Duragesic media schedule in the event that all advertising must be pulled until the new campaign launches in July books. The impact will primarily be on the potential loss of premium positions and, to a lesser degree, budget.

Please note that as of today, it is too late to pull March ads, therefore, the pulling of Duragesic ads can first take effect with April space.

As you may recall, the last media schedule issued to the Team (dated 1/17/03) was adjusted to reflect the revised budget. Subsequently, virtually all non-position (i.e. regular run-of-book) media space was pushed back until the new campaign launch, which was August at that time. The issue here, however, is that Janssen owns a significant amount of premium positions, particularly in key market journals.

I. Impact on Positions

Of the 25 journals on the Duragesic schedule, we maintain premium positions in 15 of them, plus 5 convention oriented/exclusive Janssen sponsored convention oriented publications. The challenge here is that we are promoting in highly competitive markets and, while we maintain first right of refusals, we run the risk of losing these positions that have taken years to secure.

At this point, we will take the following steps to save these positions by (a) contacting the Connectics Group to see if there are any other J&J Brands that can use the space as placeholders (b) contact the publishers to negotiate guarantees of us getting back our positions in July (c) contact Procrit to see if they can assume the full sponsorship cost on the Diversion Co-Sponsored edition and (d) contact Risperdal Brand Team to see if they can assume Duragesic's share of costs associated with each of the exclusive Janssen sponsorships.

Each of these journals/positions and sponsorships are listed on the following page.

II. Impact on Budget

To date, we are not able to provide you with an exact financial impact as the 2003 J&J Agency of Record will not be available until the week of March 10th. The current schedule utilizes 2002 earned frequency levels.

Regardless, assuming all advertising has to get pulled, the current budget allocation for April – June would be re-invested into the schedule to support the launch of the new campaign. For the journals where discounts would be lost due to the interruption

in ad placements, the increase in insertion costs would be deducted from the \$390,000 budget allocation currently allocated for April – June. The balance would get reinvested back into the schedule to support the launch of the new campaign and we will still be promoting within the \$1.8 MM budget. Areas that will be impacted include the following:

1. *Pain Clinic*

Discount: Run in all 9 issues, get additional 5% discount off per insertion

Impact: costs to be recalculated w/out discount

2. *Anesthesiology*:

Discount: Run in all 12 issues, get second insertions free

Impact: Will have to pay for January – March 2nd insertions (\$6377/insertion = \$19,131) and lose all 2nd insertions for July - December

3. *Clinician Reviews*

Discount: Run in all 12 issues, get additional 10% discount off per insertion

Impact: costs to be recalculated w/out discount

4. *Consultant*

Discount: Run in 12 issues, get additional 10% discount off per insertion

Impact: costs to be recalculated w/out discount

5. *Co-Sponsored Publications*

Diversion for Oncologists: If Procit can't cover the cost for the 3 issues of Diversion, we may have to pay \$8591 per month to cover the contract (or \$25,773)

Duragesic's share of Janssen Exclusives: AMDA Post-Meeting reporter (\$21,000), AGS Daily Bulletin (\$17,000), AGS Abstract Supplement (\$8,500)- \$63,500 total within this timeframe

III. Impact on Reach/Frequency

As you may recall, pain specialty journals are not measured via the PERQ media model. We therefore can not provide quantify support to demonstrate this loss of exposure, which is where will take the greatest hit. We can tell you, however, that qualitatively there will be a noticeable gap in the journals if Duragesic does not have any presence; particularly since Purdue is currently running its PAP ad as a placeholder and is going to be launching some type of "we're sorry" campaign in April.

Additionally, the more we have take out of the \$390,000 April- June bucket, these less we have to re-invest into the new campaign launch.

IV. Estimated Cost of Revision to Existing Journal Ads (Wedding, Swing & Chess)

The estimated costs of revising the current journal ads for the 25 publications reaching the PS, PCP, ONC and LTC markets are:

Agency Hours:	\$13,000
Agency OOPs:	\$2,250
Film Production:	\$11,250
Total:	\$26,500

To revise journal ads in only those 15 publications (15 books) reaching the PS, PCP, ONC and LTC markets in which we risk losing premium positioning, the estimated costs are:

Agency Hours:	\$13,000
Agency OOPs:	\$2,250
Film Production:	\$8,250
Total:	\$23,500

Unfortunately, given time constraints we would not be able to revise the current journal ad in time to take advantage of our Janssen sponsored AGS Abstract Supplement scheduled for April publication. For the 4 remaining convention oriented/ exclusive Janssen sponsored convention oriented publications, the estimated costs of revising the journal ads are:

Agency Hours:	\$6,500
Agency OOPs:	\$1,500
Film Production:	\$2,400
Total:	\$10,400

V. Timing to Revise Existing Journal Ads (Wedding, Swing & Chess)

The timing for revisions, including MLR Review and production, is 5 weeks. This will mean insertion for May books.

Client Direction	Fri. 2/28/03
Revised Journal Ads to Client	Fri. 3/7/03
Client Approval	Fri. 3/7/03
Submission to MLR	Wed. 3/12/03
MLR Comments Received	Thu. 3/20/03
Final CAD to Client	Tue. 3/25/03
CAD Mechanical Approval	Tue. 3/25/03
Disk Release	Mon. 3/31/03
Film to Pubs	Mon. 4/7/03*

*Assumes extension received by publications

Kati & Molly, please keep in mind that we were going to contact you on Friday to check in with approval to proceed with April space placements. We can probably get extensions until Monday or Tuesday (March 3rd or 4th) for commitments but any later than that may be a problem.

Therefore, please advise ASAP and let us know if there is any further information that we can provide.

2003 Duragesic Media Schedule**Listing of Journals by Market Including Premium Position Status****Premium Position Space:****Pain: (6 of 8 journals)**

Clinical Journal of Pain-C3/C4 (every issue)
 Journal of Pain- OTC (every issue)
 Pain Clinic- Cover 2 (Every issue)
 Pain Medicine Cover 2 (every issue)
 Pain Medicine News Cover 3/4 (every issue)
 Pain Management Nursing- Cover 3/4 (every issue)

Physiatry Journals (1 of 1 journal)

American Journal of Physical Medicine & Rehabilitation- Cover 2 (every issue)

Anesthesiology Journals (1 of 2 journals)

Anesthesiology – C3/C4 (alternating issues)

Oncology Journals (2 of 5 journals)

Diversion for Oncologists (co-sponsored w/Procrit)
 American Journal of Oncology Review -OTC (alternating issues)

LTC Journals (1 of 1 journal)

Consultant Pharmacist- OTC (alternating issues)

PCP (3 of 6 journals)

Consultant –“What’s Your Diagnosis” – (alternating issues)
 Monthly Prescribing Reference- Opposite Narcotic Analgesic chart (Alternating issues)
 Sports ’03- OTC (every issue)

PA/NP (1 of 2 journals)

PA/NP Prescribing Reference- Opposite Narcotic Analgesic chart (every issue)

Convention/Association Oriented Sponsorships

AAPM Membership Directory (C3/C4)
 ASCO Daily News (May)
 AGS- Daily Bulletin - Janssen Exclusive (May)
 AGS Abstract Supplement -Janssen Exclusive (April)
 AMDA Post Meeting Reporter -Janssen Exclusive (June)

Run-of-Book/Non-position Space for April- June

APS Bulletin- (May/June issue)
 American Family Physician (April - June)
 Clinician Reviews (April - June)
 Oncology Times-MD Edition
 Oncology Nursing Forum